

# **EXHIBIT A**

*In re: Santa Fe Natural Tobacco Company Marketing  
& Sales Practices and Products Liability Litigation,  
16-MD-2695 JB/LF (D.N.M.).*

## Plaintiffs' Opposition to Motion to Dismiss



38. This Court has personal jurisdiction over Defendants because they intentionally avail themselves of the rights and privileges of conducting business in New Mexico and the other Districts in which the actions that comprise this multi-district litigation originated and in which members of the Classes reside, and they have continuous and systematic contacts with New Mexico and those other states, owing to Defendants' advertising and sales targeting citizens in all fifty states, the District of Columbia, and U.S territories.

39. Venue is proper in this District pursuant to 28 U.S.C. § 1331(b) because substantial acts in furtherance of the alleged improper conduct giving rise to the claims herein, including the dissemination of false and misleading information regarding Natural American Spirit cigarettes, occurred within this District, and because SFNT is headquartered in this District.

FACTUAL ALLEGATIONS

A. Defendants Prominently Label Natural American Spirit Cigarettes With "Natural" And "Additive-Free" Representations.

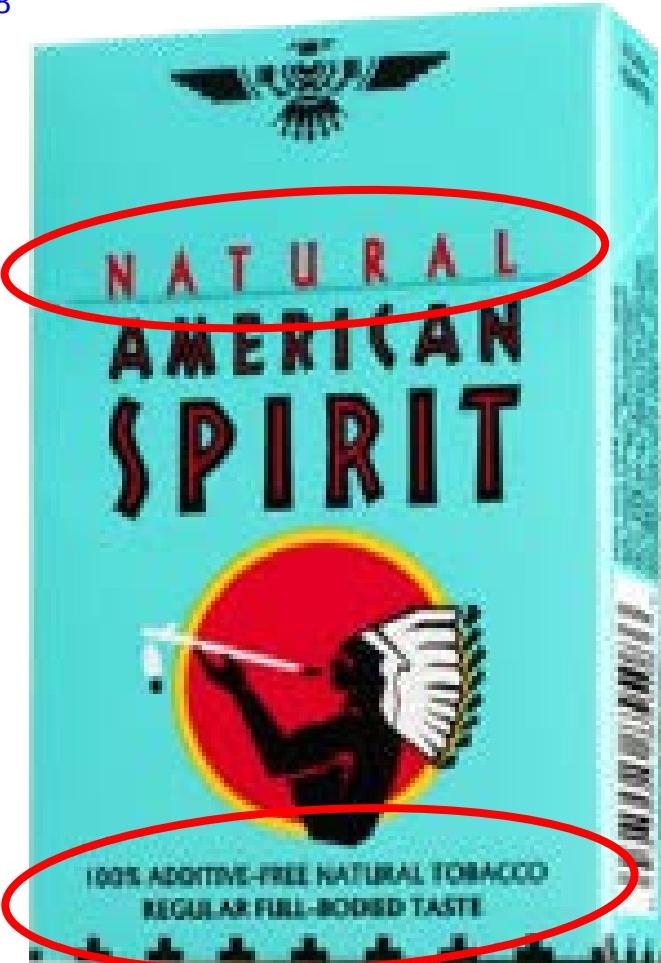
40. Defendants sell Natural American Spirit cigarettes in differently-colored packs, all of which Defendants uniformly and prominently label and advertise with representations that the cigarettes are "Natural" and "100% Additive-Free."



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Defendants sell Natural American Spirit cigarettes in differently-colored packs, all of which represent at that the cigarettes are "Natural" and "100% Additive-Free." (CAC ¶ 40)



# Defendants' Disclaimer



Placed in a “clear and prominent location”? **NO**

Printed “in the same type style and size”  
as the Surgeon General’s warning? **NO**

Located “immediately next to other written or  
textual matter or any rectangular designs . . . ? **YES**

Thus, even if the Consent Order applies to cigarette packages  
(as differentiated from tobacco product “advertisements”)  
which Plaintiffs do not concede, Defendants violated it.



# The Disclaimer Does Not Absolve Defendants of Liability

- Must be clearly and prominently placed “in a clear and prominent location but not immediately next to other written or textual matter or any rectangular designs, elements, or similar geometric forms” 7(d) Consent Order
- Hidden.
- Double negative: inherently confusing.
- FTC did not allow the disclaimer with the intent of allowing Defendants to mislead consumers and then rely on a hidden message to correct misrepresentations and provide a shield for liability.



# Evidence in the Record Proves the Disclaimer is Useless

- The FDA warning letter specifically states, “Your product labeling for Natural American Spirit cigarettes, which uses the descriptors “Natural” and “Additive Free,” represents explicitly and/or implicitly that the products or their smoke do not contain or are free from a substance and/or that the products present a lower risk of tobacco-related disease or are less harmful than one or more other commercially marketed tobacco products.” (CAC ¶ 58 (quoting FDA, *Warning Letter to Santa Fe Natural Tobacco* (Aug. 27, 2015))
- “The prevalence of reduced harm perceptions among NAS smokers also clearly demonstrates that the disclaimer statements on NAS packs and advertisements, which have been in their most recent form since 2010 and predate data collection for the current study by several years, are not an effective means to correct consumers’ inappropriate harm perceptions.” (CAC ¶ 52 (quoting Pearson, Jennifer L., et al., *Misperceptions of harm among Natural American Spirit smokers: results from wave 1 of the Population Assessment of Tobacco and Health (PATH) study (2013–2014)*. TOBACCO CONTROL (Dec. 6, 2016) at 3).)
- Judge Kessler forever banned the use of the word “Natural” by R.J. Reynolds. Cannot use this word no matter the existence of a disclaimer.



# Evidence in the Record Proves the Disclaimer is Useless

- *Discount Tobacco City & Lottery, Inc., R.J. Reynolds Tobacco Company, et al. v. U.S.*, 674 F.3d 509 (6th Cir. 2012):
  - “[W]e may safely presume that naturalists and those who subscribe to organic products do not engage in unmotivated or arbitrary behavior—common sense dictates the conclusion that they prefer such products precisely because they believe that natural and organic products confer health advantages over conventional products.” *Id.* at 536.
  - “We have no reason to upend—or intrude upon—Congress' determination and “express[ ] reject[ion of] the idea that requiring disclaimers for modified risk tobacco products would be effective ... [based on the finding] that consumers have misinterpreted advertisements in which one product is claimed to be less harmful than a comparable product, even in the presence of disclosures and advisories intended to provide clarification.” *Id.* at 537.
  - “Consequently, Plaintiffs’ [R.J. Reynolds] attempt to de-link hypothetical consumers’ preferences for “organic” and “additive-free” products from general health concerns is unsustainable.” *Id.* at 536.





44 "Natural" and "Additive-Free" advertising claims have been used by RENT throughout the history of the company. In 2015, for example, Defendants launched a nationwide ad campaign targeting such popular magazines as Sports Illustrated, Time, Field and Stream, Southern Living, Architectural Digest, Vanity Fair and US Weekly. As Seth Moskowitz, a spokesman for SFNT, explained: "The aim is to drive brand awareness, highlight Natural

In 2015, a spokesman for Santa Fe Natural Tobacco Company confirmed that "the aim" of using the terms "Natural" and Additive Free" was "to drive brand awareness, highlight American Spirit's 100-percent additive-free natural proposition, and generate trial among adult smokers. (CAC ¶ 44)



holly grail of tobacco companies is the creation and marketing of a cigarette that the public believes is safer and healthier.

48. Capitalizing on the growing desire of American consumers to use products that are natural and not filled with additives, Reynolds and SPRINT have deliberately and misleadingly built their brand around their “Natural” and “Additive-Free” claims in order to deceive consumers into thinking that their cigarettes are safer or healthier than other cigarettes.

49. The claims “Natural” and “Additive-free” connote safer and healthier cigarettes because consumers associate smoking cigarettes with non-natural additives as being dangerous and unhealthy. Indeed, research demonstrates that consumers believe that Natural American Spirit cigarettes are safer, healthier and less harmful to smoke because they purport to be “Natural” and “Additive-Free.”

50. As one study conducted by researchers at the University of California found, “[t]he idea that cigarettes are natural may also help smokers down-play the risks of smoking, as ‘natural’ risks inspire less concern than unnatural ones . . . smokers . . . frequently concluded that ‘natural’ cigarettes must be healthier or safer than cigarettes containing chemicals . . .”<sup>3</sup>

51. The study’s authors concluded that “[t]he tobacco industry is adept at easing smokers’ health concerns through such product modifications as filters and (seemingly) reduced

<sup>3</sup> McDaniel, Patricia A. & Ruth E. Malone, “I Always Thought They Were All Pure Tobacco”: American Smokers’ Perceptions of “Natural” Cigarettes and Tobacco Industry Advertising Strategies, 16 TOBACCO CONTROL e7 (2007), available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2807204/> (last visited Nov. 2, 2015).

## RESEARCH CONFIRMS THAT DEFENDANTS’ USE OF HEALTH DESCRIPTORS – “NATURAL,” “ADDITIVE FREE” AND “ORGANIC” – DECEIVES OR MISLEADS REASONABLE CONSUMERS

- A 2007 study conducted by researchers at the University of California confirmed that consumers “frequently concluded that ‘natural’ cigarettes must be healthier or safer than cigarettes containing chemicals,” and noted that “American tobacco companies have understood, **for decades**, that ‘natural’ is similarly misleading and implies unwarranted health claims.” (CAC ¶¶50-51)  
Patricia McDaniel, et al., *I Always Thought They Were All Pure Tobacco: American Smokers’ Perceptions of “Natural” Cigarettes and Tobacco Industry Advertising Strategies*, 16 TOBACCO CONTROL e7 (2007).



tar. American tobacco companies have understood, for decades, that ‘natural’ is similarly misleading and implies unwarranted health claims.”<sup>4</sup>

52. Other studies confirm that consumers believe that additive-free cigarettes are safer and healthier than other cigarettes. For example, in a survey of more than 1000 smokers in the United States, 60% thought that removing additives made a cigarette less dangerous to smoke, and 73% believe that cigarettes with additives were more harmful than those that did not have the additives.<sup>5</sup>

53. Reynolds has long known and understood that marketing any cigarette as “Additive-free” would “reduce the perceived primary health concern” involved in smoking.<sup>6</sup> In fact, in the 1990s, Reynolds regarded a natural version of Winston as appealing to “concerned smokers” worried about “ingredients, yield, risk factors.”<sup>7</sup>

54. Expecting that regulators would express concern over marketing an additive-free cigarette (because it implies untruthful health claims), Reynolds conducted marketing studies to show that people do not think that “Additive-Free” means safer or healthier (so it could deflect regulators’ attention). But the result was not what Reynolds expected; to the contrary, the research showed that even when answering leading and biased questions designed to elicit

<sup>4</sup> *Id.*

<sup>5</sup> Cummings, K.M., et al., “Are smokers adequately informed about the health risks of smoking and medicinal nicotine?” *Nicotine & Tobacco Research* 6(3): S333-340, 2004.

<sup>6</sup> Memorandum from T.C. Hayes & W.J. Moore (July 22, 1983), available at <http://legacy.library.usc.edu/tid/siz55f00> (last visited Aug. 24, 2016).

<sup>7</sup> R.J. Reynolds Segmentation/Positioning Memorandum (Apr. 21, 1995), available at <http://legacy.library.usc.edu/tid/hjw6d00> (last visited Aug. 24, 2016).

- A study published in 2016, conducted by researchers at the Schroeder Institute for Tobacco Research and Policy Studies, revealed consumers believe that cigarettes labeled or advertised as “natural,” “organic” and “additive free” are “significantly more appealing, healthier or less harmful” than those not so labeled, and that “[s]uch misperceptions may encourage smokers to switch cigarette brands rather than quit smoking entirely, or may increase intent to try a product.” (CAC ¶52) Jennifer Pearson, et al., *Misperceptions of harm among Natural American Spirit smokers: results from wave 1 of the Population Assessment of Tobacco and Health (PATH) study (2013-2014)*. TOBACCO CONTROL (Dec. 6, 2016) at 1.
  
- More specifically, the study showed that 63.9% of NAS smokers believed their brand was less harmful than other brands, while only 35.6% and 0.5%, respectively, believed their brand was as harmful or less harmful than other brands. (CAC ¶52) *Id.*



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53. Reynolds has long known and understood that marketing any cigarette as "Additive-free" would "reduce the perceived primary health concern" involved in smoking.<sup>76</sup> In fact, in the 1990s, Reynolds regarded a natural version of Winston as appealing to "concerned smokers" worried about "ingredients, yield, risk factors."<sup>77</sup>

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<sup>74</sup> *Id.*

<sup>75</sup> Cummings, K.M., et al., "Are smokers adequately informed about the health risks of smoking and medicinal nicotine?" *Nicotine & Tobacco Research* 6(3): 833-340, 2004.

<sup>76</sup> Memorandum from T.C. Hayes & W.J. Moore (July 22, 1983), available at <http://legacy.library.ucsf.edu/tid/siz55f00> (last visited Aug. 24, 2016).

<sup>77</sup> RJ Reynolds Segmentation/Positioning Memorandum (Apr. 21, 1995), available at <http://legacy.library.ucsf.edu/tid/hjw66d00> (last visited Aug. 24, 2016).

- Ultimately, the Schroeder Institute for Tobacco Research and Policy Studies study concluded that:

- "NAS smokers are 22 times more likely than other smokers to believe their brand is less harmful than other cigarette brands";
- "Adult NAS smokers may choose the NAS brand because they perceive it as a less harmful cigarette product as a result of NAS branding and/or the descriptors 'organic', 'natural' and 'additive free' on product packaging and advertising"; and
- "The prevalence of reduced harm perceptions among NAS smokers also clearly demonstrates that the disclaimer statements on NAS packs and advertisements, which have been in their most recent form since 2010 and predate data collection for the current study by several years, **are not an effective means to correct consumers' inappropriate harm perceptions.**"

(CAC ¶52) *Id.*



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53. Reynolds has long known and understood that marketing any cigarette as "Additive-free" would "reduce the perceived primary health concern" involved in smoking.<sup>26</sup> In fact, in the 1990s, Reynolds regarded a natural version of Winston as appealing to "concerned smokers" worried about "ingredients, yield, risk factors."<sup>27</sup>

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<sup>24</sup> *Id.*

<sup>25</sup> Cummings, K.M., et al., "Are smokers adequately informed about the health risks of smoking and medicinal nicotine?" *Nicotine & Tobacco Research* 6(3): 833-340, 2004.

<sup>26</sup> Memorandum from T.C. Hayes & W.J. Moore (July 22, 1983), available at <http://legacy.library.ucsf.edu/tid/siz55f00> (last visited Aug. 24, 2016).

<sup>27</sup> RJ Reynolds Segmentation/Positioning Memorandum (Apr. 21, 1995), available at <http://legacy.library.ucsf.edu/tid/hjw66d00> (last visited Aug. 24, 2016).

- A 2004 survey of more than 1000 smokers revealed that 60% of those surveyed believed removing additives from cigarettes made them less dangerous to smoke, and that 73% believed cigarettes with additives were more harmful than those without. (CAC ¶53) K.M. Cummings, *et al.*, *Are smokers adequately informed about the health risks of smoking and medicinal nicotine?*, *NICOTINE & TOBACCO RESEARCH* 6(3): s333-340 (2004).
- A study published in 2016 by researchers from multiple institutions – including the Schroeder Institute for Tobacco Research and Policy Studies and the Johns Hopkins Bloomberg School of Public Health – "demonstrate[d] that the pack descriptors "Made with Organic Tobacco," "100% Additive Free," and "100% US Grown Tobacco," as well as other aspects of the American Spirit pack design, communicated lower risk to study participants." (CAC ¶54) Jennifer Pearson, *et al.*, *American Spirit Pack Descriptors and Perceptions of Harm: A Crowdsourced Comparison of Modified Packs*, *NICOTINE & TOBACCO RESEARCH* 18(8):1749-1756, 1750 (2016).



responses showing consumers do not think additive free is safer or healthier, consumers believed that additive-free cigarettes were safer or healthier.<sup>8</sup>

55. The deceptive nature of Defendants' claims is further confirmed by a 2006 ruling by United States District Court Judge for the District of Columbia Judge Gladys Kessler. See *United States v. Philip Morris USA, Inc.*, 449 F. Supp. 2d 1 (D.D.C. 2006). The Department of Justice brought a RICO action against numerous tobacco companies, including predecessor companies and subsidiaries of Defendant Reynolds, relating to the use of deceptive brand descriptors, such as "natural," "light" and "mild." Following a bench trial, Judge Kessler issued a 1,652 page decision which found, among other things, that the defendants' use of the brand descriptor "natural" misleadingly conveyed to consumers that the cigarettes were less hazardous to health. Judge Kessler specifically found that defendant Brown & Williamson, which Reynolds' predecessor R.J. Reynolds Tobacco Holdings, Inc. acquired in 2005, developed "natural" branded cigarettes with knowledge that "market research show[s] that consumers incorrectly interpret the word 'natural' to mean that the cigarettes are safer and healthier than conventional cigarettes . . ." *Id.* at 924. As a result of these findings, Judge Kessler enjoined the defendants from using the brand descriptor "natural." Judge Kessler's ruling was affirmed by the United States Court of Appeals, District of Columbia Circuit. *United States v. Philip Morris USA Inc.*, 556 F.3d 1095, 1150 (D.C. Cir. 2009).

56. The FDA agrees that labeling Natural American Spirit cigarettes as "Natural" and "Additive-Free" conveys to reasonable consumers that Defendants' cigarettes are safer and healthier than the alternative. On August 27, 2015, the FDA sent a Warning Letter to SFNT

<sup>8</sup> Cummings at 6.

Reynolds' own marketing research regarding the use of "Additive-Free" confirmed that consumers believe Additive-Free cigarettes to be safer or Healthier. (CAC ¶156) K.M. Cummings, *et al., Are smokers adequately informed about the health risks of smoking and medicinal nicotine?*, NICOTINE & TOBACCO RESEARCH 6(3): s333-340 (2004).



*United States v. Philip Morris USA, Inc.*, 449 F. Supp. 2d 1 (D.D.C. 2006), 556 F.3d 1095 (D.C. Cir. 2009)  
*aff'd by United States v. Philip Morris USA, Inc.*

declaring that several of its cigarette products contained additives that were not disclosed on the product label. The FD&C Act, 21 U.S.C. § 387b, section 911(g) of the FD&C Act, prohibits such conduct.

Your product labeling is misleading if it uses descriptors "Natural" and "Organic" and other terms that the products or their ingredients are "natural" or "organic" when the products present one or more known health hazards.

D. Natural American Spirit Safer Or Less Harmful

57. Natural American Spirit cigarettes are safer than other cigarettes. This is a truth that Defendants do not dispute.

58. There is no scientific evidence that cigarettes are safer or healthier.

59. In fact, research has shown that cigarettes contain harmful ingredients or substances. The Center for Tobacco Products and Control and Prevention examined the presence of carcinogenic compounds in cigarettes. These compounds are formed during the burning of tobacco. Rather, they are formed during the manufacturing process.

<sup>9</sup> FDA Warning Letter to Santa Fe Natural Tobacco Co., Inc. (SFT) dated April 2, 2007, at 1 (<http://www.fda.gov/ICECI/EnforcementActions/WarningsLetters/UCM090015.htm>, visited Nov. 2, 2015).

¶157

In 1999, the Department of Justice brought a “massive” RICO action against a number of tobacco companies, including predecessors in interest to and subsidiaries of Defendant Reynolds, relating to the use of deceptive brand descriptors, including “natural,” “light” and “mild.”

Following a bench trial, D.C. District Court Judge Gladys Kessler issued a 1,652 page order that:

- **found the defendants’ use of the descriptor “natural” conveyed to consumers that the cigarettes so-labeled were less hazardous to health than other cigarettes;**
- found that Brown & Williamson (acquired by Reynolds’ predecessor R.J. Reynolds Tobacco Holdings, Inc., in 2005) developed “natural” branded cigarettes with knowledge that **“market research show[s] that consumers incorrectly interpret the word ‘natural’ to mean that the cigarettes are safer and healthier than conventional cigarettes; and**
- **enjoined the defendants from using the brand descriptor “natural.” (CAC ¶157)**



cigarettes delivered from 60% to 170% higher PAH yields than the average PAH yields of all cigarettes analyzed.<sup>10</sup>

60. Natural American Spirit cigarettes also contain more heavy metals than other cigarettes. Researchers from the Centers for Disease Control and Prevention recently tested 50 varieties of cigarettes available in the United States. They concluded that Natural American Spirit cigarettes "had the highest mean concentrations for cadmium and mercury."<sup>11</sup> Cadmium is not only a known carcinogen; it is also associated with chronic obstructive pulmonary disease and nephrotoxicity.<sup>12</sup> Mercury causes a wide array of well-known deleterious health effects.

61. The danger and health effects of any cigarette are also determined by the extent to which it is addictive. The more people smoke, the greater the risk of health harms like cancer and emphysema. Defendants intentionally engineered Natural American Spirit cigarettes to be at least as addictive as other cigarettes by creating "free-base" nicotine.

62. Nicotine occurs naturally in tobacco plants as either an acid or a base. The acidic form is more stable, and therefore more concentrated. The basic form, known as "free-base" nicotine, is volatile, especially when smoked. As a result, it is absorbed quickly and efficiently into the lungs when a person smokes, where it quickly reaches the brain. Acidic nicotine, conversely, clings to the particles of smoke as they settle into the lungs, and is slowly absorbed

<sup>10</sup> An T. Vu et al., "Polycyclic Aromatic Hydrocarbons in the Mainstream Smoke of Popular U.S. Cigarettes," National Center for Biotechnological Information (July 30, 2015) available at <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4540633/> (last visited Aug. 30, 2016).

<sup>11</sup> Mark R. Fresquez, R. Steven Pappas, and Clifford H. Watson, "Establishment of Toxic Metal Reference Range in Tobacco from U.S. Cigarettes," *J. Anal Toxicol.* 2013 Jun; 37(5): 298-304.

<sup>12</sup> *Id.*

## NATURAL AMERICAN SPIRITS CIGARETTES ARE NOT SAFER OR LESS HARMFUL THAN OTHER CIGARETTES

Research suggests that NAS cigarettes contain more harmful substances than other cigarettes.

- Of the 50 mainstream U.S. cigarettes tested, NAS cigarettes (blue box) had the highest total PAH yields, delivering from 60%-170% higher PAH yields than the average yields of all other cigarettes tested. (CAC ¶61) An T. Vu, *et al.*, *Polycyclic Aromatic Hydrocarbons in the Mainstream Smoke of Popular U.S. Cigarettes*, National Center for Biotechnical Information (July 30, 2015).
- Researchers from the Centers for Disease Control and prevention have confirmed that NAS cigarettes contain more heavy metals than other cigarettes.
- NAS cigarettes had "the highest mean concentrations" for mercury and cadmium, which is a known carcinogen and which is also associated with chronic obstructive pulmonary disease and nephrotoxicity. (CAC ¶63) Mark R. Fresquez, *et al.*, *Establishment of Toxic Metal Reference Range in Tobacco from U.S. Cigarettes*, *J. Anal Toxicol.* 2013 Jun; 37(5):298-304.



before it is transported to the brain. The difference between free-base and naturally occurring nicotine is analogous to the difference between powder and crack cocaine.

63. Defendants manipulate the design and manufacture of the cigarettes to maximize the amount of free-base nicotine.

64. James Pankow of Oregon Health and Science University in Portland compared the levels of free-base nicotine found in the most common brands of American cigarettes. Natural American Spirit cigarettes contained the most free-base form of nicotine: 36 percent free-base nicotine, compared with 9.6 percent in a Marlboro, 2.7 percent in a Camel, and 6.2 percent in a Winston.<sup>13</sup> These high levels of free-base nicotine do not occur naturally; instead, Defendants engineer their so-called natural cigarette to boost free-base nicotine.

**E. Natural American Spirit Menthol Cigarettes Contain Additives.**

65. Contrary to the explicit claim on every label that Natural American Spirit cigarettes contain “additive-free natural tobacco,” Defendants add additives to Natural American Spirit menthol cigarettes.

66. Defendants place menthol in the cigarette filters. Because menthol is highly volatile, it migrates into the tobacco and throughout the cigarette, providing the menthol flavor. As the FDA has noted, “menthol diffuses throughout the cigarette irrespective of where it was

Defendants intentionally engineered NAS cigarettes to be at least as addictive as other cigarettes by creating “free base” nicotine, which is volatile, especially when smoked, which is absorbed quickly and efficiently into the lungs, and which rapidly reaches the brain. (CAC ¶¶63-64)

<sup>13</sup> Pankow, J., Barsanti, K., & Peyton, D. “Fraction of Free-Base Nicotine in Fresh Smoke Particulate Matter from the Eclipse Cigarette by <sup>1</sup>H NMR Spectroscopy.” *Chem. Res. in Toxicology* 16(1): 23-27 (2003).



applied.<sup>14</sup> Thus, by adding menthol to the filter, Defendants add menthol (an additive) to the tobacco, making their “Additive-Free” claims literally false.

67. As shown in an early Liggett experiment (“10 by 10”), a brand intended to have 10 menthol and 10 non-menthol cigarettes in the pack), menthol contaminates everything in a pack: “[It] didn’t work out. Needless to say, the menthol moved or equilibrated making all cigarettes taste the same. But Liggett learned from this brand. Today no menthol is applied to their filter. Instead they apply menthol to their brands at the packer. Menthol is applied to the paper side of the foil and allowed to equilibrate in the pack.”<sup>15</sup>

#### **E. Defendants Use Of The Term “Natural” Is Deceptive.**

68. Defendants proclaim on every package of Natural American Spirit cigarettes that they are “Natural.” Defendants reinforce this concept through advertisements like “Tobacco Water,” tobacco leafs covered in drops of dew or rain and Native American imagery, i.e. the Natural American Spirit smoker is smoking what Native Americans are thought to have smoked hundreds of years ago.

69. The Natural American Spirit cigarette is anything but “Natural.” Defendants subject the tobacco in Natural American Spirit cigarettes to various complex, highly technical and unnatural engineering processes, rendering this representation false and misleading.

<sup>14</sup> Draft Paper: Chapter III: ‘The Physiological Effects of Menthol Cigarettes’, FDA.gov, available at <http://www.fda.gov/downloads/AdvisoryCommittees/CommitteesMeetingMaterials/TobaccoProductsScientificAdvisoryCommittee/UCM244975.pdf> (last visited Sept. 14, 2016).

<sup>15</sup> “Menthols Loss from Application to Customer” Memorandum from R.M. Gohmann (Dec. 7, 1978), available at <https://www.industrydocumentslibrary.ucsf.edu/tobacco/docs/fln0130> (last visited Sept. 14, 2016).

## NATURAL AMERICAN SPIRIT MENTHOL CIGARETTES CONTAIN ADDITIVES

- Defendants place menthol in the NAS cigarette filters, which, because it is highly volatile “diffuses throughout the cigarette irrespective of where it is applied.” (CAC ¶68) Draft Paper: Chapter III: The Physiological Effects of Menthol Cigarettes, FDA.gov.
- The addition of menthol – an additive – to the filters of NAS cigarettes makes Defendants’ “Additive-Free” claims literally false. (CAC ¶68)



70. For example, the tobacco in Natural American Spirit cigarettes is flue-cured. This is a technical process where the tobacco is heated to unnaturally seal in sugars and thereby artificially lower the pH of the cigarette smoke. In its natural state, tobacco has a high pH content, which makes inhalation too harsh. By lowering the pH, the cigarette becomes inhalable.<sup>16</sup>

71. The tobacco in Natural American Spirit cigarettes is also artificially blended.

72. The flue-curing, blending and other engineering processes are no different than that of other cigarettes, yet Defendant's use of the word "Natural" deceives Natural American Spirit smokers into thinking that they are different.

73. Reasonable consumers, including Plaintiffs and the class members, value natural products for important reasons, including the belief that they are safer and healthier than alternative cigarettes that are not represented as being natural.

74. Whether Defendants' labeling of the cigarettes as "Natural" is deceptive is judged by whether it would deceive or mislead a reasonable person.

75. Consumers lack the meaningful ability to test or independently ascertain or verify whether a product is natural, especially at the point of sale. Consumers would not know the true nature of the ingredients merely by reading the ingredients label.

<sup>16</sup> "Tobacco smoke was rarely inhaled prior to the nineteenth century; it was too harsh, too alkaline. Smoke first became inhalable with the invention of *flue curing*, a technique by which the tobacco leaf is heated during fermentation, preserving the sugars naturally present in the unprocessed leaf. Sugars when they burn produce acids, which lower the pH of the resulting smoke, making it less harsh, more inhalable. There is a certain irony here, since these 'milder' cigarettes were actually far more deadly, allowing smoke to be drawn deep into the lungs." Robert N. Proctor, "Why ban the sale of cigarettes? The case for abolition," *Tobacco Control* (Jan. 17, 2013), available at [http://tobaccocontrol.bmjjournals.org/content/22/suppl\\_1/27.full](http://tobaccocontrol.bmjjournals.org/content/22/suppl_1/27.full) (last visited Sept. 8, 2016) (emphasis in original).

## DEFENDANTS' USE OF THE TERM "NATURAL" IS DECEPTIVE BECAUSE THE CIGARETTES GO THROUGH UNNATURAL ENGINEERING PROCESSES

The tobacco in NAS Cigarettes is flue-cured, which is a technical process by which the tobacco is heated to unnaturally seal in sugars and artificially lower the pH of smoke. (CAC ¶72)

In its natural state, tobacco has a high pH content, which makes inhalation too harsh. By lowering the pH, the cigarette becomes inhalable. (CAC ¶72)

The tobacco in NAS cigarettes is also artificially blended. (CAC ¶73)

